

CALIFORNIA MEDICAL ASSISTANCE COMMISSION

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**CALIFORNIA MEDICAL ASSISTANCE COMMISSION**

State Capitol, Room 113

Sacramento, CA

Minutes of Meeting

December 9, 2004

COMMISSIONERS PRESENT

Nancy E. McFadden, Chair
Thomas Calderon
Teresa P. Hughes
Vicki Marti
Lynn Schenk

CMAC STAFF PRESENT

J. Keith Berger, Executive Director
Enid Barnes
Theresa Bueno
Paul Cerles
Denise DeTrano
Holland Golec
Shivani Nath
Steve Soto
Michael Tagupa

COMMISSIONERS ABSENT

Diane M. Griffiths
Michael R. Yamaki

EX-OFFICIO MEMBERS PRESENT

Bob Sands, Department of Finance
Sunni Burns, Department of Health Services

I. Call to Order

The December 9, 2004 open session meeting of the California Medical Assistance Commission (CMAC) was called to order by Chair Nancy E. McFadden. A quorum was present.

II. Approval of Minutes

The November 18, 2004 meeting minutes were approved as prepared by CMAC staff.

III. Executive Director's Report

Mr. Berger reported that there are three requests by hospitals to appear before the Commission in closed session. His recommendation is that the Commission approve Children's Hospital of Northern California to appear before the Commission on January 13, and Children's Hospital of Los Angeles (LA), and Children's Hospital of Central California appear January 27. The motion was unanimously approved.

The Executive Director informed the Commission that California Children's Hospital Association (CCHA) requested to appear before the Commission in open session on January 13 for their annual CMAC presentation. CCHA would also like to discuss Proposition 61 and the impact on children's hospitals. The Commissioners concurred with CCHA appearing on January 13 during open session.

Mr. Berger noted that CMAC staff is still in discussions with staff members of the California Health Facilities Financing Authority (CHFFA) regarding their appearance before the Commission on January 13, along with CCHA. He indicated that CHFFA is responsible for implementing Proposition 61 and that it would be helpful to the Commission, when raising questions, if both CCHA and CHFFA appear before the Commission on the same day.

Mr. Berger took a moment to thank the Commissioners on behalf of the CMAC staff for their hard work and support throughout this difficult year. He noted that the Commissioners' guidance on a number of very important policy and negotiation issues has been a major reason for the success of the Commission this past year. He extended the staff's wishes to the Commissioners for a relaxing and enjoyable holiday season.

Mr. Berger indicated that the relaxation would have to wait until after today's closed session. He noted that there are over 60 hospital and managed care contracts and amendments for action during today's closed session meeting.

Chair McFadden thanked the Executive Director on behalf of the Commissioners and indicated that the Commissioners are a small part of the important work that CMAC does and that the Executive Director and the staff are the most important part of the Commission. She further noted that CMAC staff has done a magnificent job during this very difficult year and that the Commissioners will get a chance to show the staff their appreciation in a more personal manner after today's meeting at a private gathering.

Mr. Berger asked Ms. Burns if she would give the Commission a brief update on Medi-Cal hospital financing redesign.

Ms. Burns indicated that DHS and CMAC are still submitting information to the Centers for Medicare & Medicaid Services (CMS). CMS has requested information on the use of the Office of Statewide Health Planning and Development (OSHPD) data versus the use of audited cost report data for determining certified public expenditures.

CMS has also requested information on the rebasing of Upper Payment Limits (UPL). Ms. Burns noted that there will be a conference call this afternoon with CMS and she would provide a report at the next Commission meeting.

Ms. Burns further noted that the California Hospital Association (CHA) is planning to give a presentation to the California Congressional Delegation sometime today. The CHA does not agree with aspects of the DHS proposal, and they want to present an alternative proposal. Although DHS is open to an alternative proposal, Ms. Burns said time is short, as the State has only one six-month extension on the SPCP waiver. She said DHS has been working on hospital finance redesign since April 2004.

Commissioner Calderon stated that even though the Medi-Cal Disproportionate Share Hospital (DSH) program is not within CMAC's purview, it impacts the State's ability to keep hospitals open and accept indigent patients. He asked Ms. Burns how closely tied are the SPCP waiver negotiations and DHS Redesign proposal, which is to only fund the public hospitals with traditional DSH funds and then fund the other hospitals with State General Fund money.

In response to Commissioner Calderon's question, Ms. Burns stated that the SPCP waiver is part of the Redesign proposal, and that traditional DSH funding would be maximized by using it for the public hospitals.

Commissioner Calderon indicated that CHA is very concerned about the redesign proposal and that several legislators have contacted him to find out what is really going on. He stated that he has told them that this is something that the Legislature has to look at, because it is a budget issue that will become very contentious every single year if the state has to fund the DSH program for private hospitals with general funds.

Ms. Burns clarified that under the DHS proposal, private hospitals would not be losing funds, a portion of their funding would simply be coming from a different source.

IV. Medi-Cal Managed Care Activities

Mr. Berger indicated that there is nothing new to report at this time, however, there are a number of issues to be discussed in closed session that relate to both the upcoming meetings in January and the negotiated amendments that are before the Commissioners for action today.

V. New Business/Public Comments/Adjournment

Hrant E. Kouyoumdjian, Ph.D., health care consultant representing Sutter Delta Medical Center and the John Muir Mt. Diablo Health System, indicated that it was his understanding that the last time HFPA 411 access was discussed, the Commissioners requested that the discussions between CMS, CMAC and DHS be available to the

public. Dr. Kouyoumdjian stated that DHS and CMAC staff have met with CMS, and that he believes that the public should be informed of the conclusions of those discussions.

Mr. Berger commented that there had been a meeting with CMS, and CMAC is waiting for feedback from CMS. He further indicated that once CMS has finished reviewing the report, CMAC will schedule a time for the hospitals and their Consultants to appear before the Commission to discuss the CMS response.

Carl Gardner, K & R Law Group, appeared on behalf of Western Dental Services, Inc., to reaffirm Western's desire to continue its participation in the Geographic Managed Care (GMC) program and to reaffirm its request to the Commission that it be provided with actuarial and assumption data on the establishment of new Medi-Cal rates of payment to Western under this program in the future.

Mr. Berger indicated that CMAC had received a request from Western Dental and that the rate methodology and contractual relationship that CMAC has with GMC plans falls under the purview of CMAC negotiations and the non-disclosure protections, as a specific exemption from the Public Records Act under Government Code, Section 6254(q). CMAC has directed the plan to DHS for availability of Western Dental's prepaid health plan contract information which is not negotiated by CMAC.

Chair McFadden acknowledged Mr. Gardner's requests and assured Mr. Gardner that the staff will work with his client to help them obtain the information that they have requested, to the extent it is available. As far as continued participation of Western Dental in the GMC program, Chair Mc Fadden stated it will be discussed during closed session.

There being no further new business and no additional comments from the public, Chair Nancy McFadden recessed the open session. Chair McFadden opened the closed session, and after closed session items were addressed, adjourned the closed session, at which time the Commission reconvened in open session. Chair McFadden announced that the Commission had taken action on hospital and managed care contracts and amendments in closed session. The open session was then adjourned.